



United States Department of State

Washington, D.C. 20520

JUN 8 2004

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Dear Mr. Conyers:

Thank you for your letter of May 5 regarding the U.S.-Paraguay Memorandum of Understanding (MOU) on intellectual property (IP) rights, and Paraguay's related request for U.S. assistance. The Secretary has asked me to reply on his behalf.

We appreciate your interest in Paraguay's fight against IP piracy and counterfeiting. The United States negotiated the new MOU with Paraguay in December 2003 to address several outstanding concerns regarding lack of IP protection, particularly for copyright and trademarks. Weak enforcement is the greatest problem, including the involvement of organized crime in piracy and counterfeiting operations, lack of criminal investigations and raids, and the judiciary's unwillingness to impose deterrent sentences.

We are confident that the administration of Paraguayan President Duarte is committed to battling intellectual right piracy in his country as part of his broader effort to diminish the contraband trade and corruption in general. However, it is also clear that more improvements are needed. We will continue to support the Government of Paraguay in their efforts.

In terms of assistance, the U.S. Embassy in Asuncion co-sponsored and organized three IPR seminars in May 2004 to increase public and private awareness of IPR issues, in particular of trademarks and patents. In April, attorneys from the U.S. Patent and Trademark Office conducted a two-day training session on pharmaceutical patent examination practices for officials from the Paraguayan Office of Industrial Property in Asuncion. We hope to continue this sort of technical assistance in the future.

The Honorable
John Conyers, Jr.
House of Representatives.

Regarding Paraguay's request for assistance, we have received the request and are reviewing it along with over ninety other proposals we have received for the \$2.5 million that is available through the FY04 Omnibus Bill. We are following a very careful process in choosing the best proposals. Given the important issues at play in Paraguay, we can assure you that the Paraguayan request will receive serious consideration. We plan to announce the final funding decisions in the early summer.

Thank you again for your interest in Paraguay's fight against piracy and counterfeiting. Please do not hesitate to contact us if we can be of further assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "Paul V. Kelly". The signature is fluid and cursive, with the first name "Paul" and last name "Kelly" being the most prominent parts.

Paul V. Kelly
Assistant Secretary
Legislative Affairs